TAX INSTRUCTION LETTER

FOR FORMER SHAREHOLDERS OF TAHOE RESOURCES INC.
WHO ARE ELIGIBLE HOLDERS AND
WISH TO FILE A CANADIAN SECTION 85 ELECTION

Pan American Silver Corp.

Acquisition of

Tahoe Resources Inc.
TO: Former Shareholders of Tahoe Resources Inc. who are Eligible Holders in respect of Tahoe Resources Inc. (“Tahoe”) and wish to file a Canadian Section 85 Election

FROM: Pan American Silver Corp. (“Pan American”)

RE: Plan of Arrangement (the “Arrangement”) effective as of February 22, 2019 which provided for the acquisition by Pan American of all of the issued and outstanding common shares of Tahoe as described in the Tahoe Notice of Special Meeting and Management Information Circular for the Special Meeting of Shareholders dated December 4, 2018 (the “Circular”)

This tax instruction letter is provided to those Eligible Holders (as defined in the Arrangement and page 3 of this tax instruction letter) who wish to make a Section 85 Election (as defined in the Circular) for Canadian federal income tax purposes, and in certain cases, the Québec equivalent for Québec income tax purposes (“Québec Election”), in respect of common shares of Tahoe (“Tahoe Shares”) disposed of under the Arrangement for consideration that included common shares of Pan American (“Pan American Shares”).

This tax instruction letter outlines how an Eligible Holder may make the Section 85 Election jointly with Pan American. If you are (a) not an Eligible Holder, (b) an Eligible Holder who did not receive any Pan American Shares in respect of your Tahoe Shares disposed of under the Arrangement, or (c) an Eligible Holder who has decided not to file a Section 85 Election, this tax instruction letter is not relevant to you.

The comments made in this tax instruction letter with respect to the income tax consequences of making a Section 85 Election and the Québec Election, if applicable, are of a general nature only and are not intended to be (nor should they be construed to be) legal or tax advice to any particular Eligible Holder. This instruction letter assumes the Eligible Holder reports their Canadian tax results in Canadian dollars. Furthermore, apart from providing this tax instruction letter to Eligible Holders, neither Pan American nor Tahoe will provide Eligible Holders with any advice on making the Section 85 Election or the Québec Election. Accordingly, Eligible Holders should consult with their own tax advisors for specific advice in respect of whether or not to make a Section 85 Election and the Québec Election, if applicable, and how to comply with the requirements for making such an election having regard to their own particular circumstances.

Eligible Holders should review this tax instruction letter very carefully and should consult their tax advisors as to the proper completion and delivery of the relevant tax election forms to Pan American, and the applicable filing deadlines. Eligible Holders are referred to CRA Information Circular 76-19R3 and CRA Interpretation Bulletin IT-291R3 for further information respecting the Section 85 Election under the Income Tax Act (Canada) (the “Tax Act”). In addition and if applicable, Eligible Holders are referred to Revenu Québec Interpretation Bulletins IMP.520.1-1/R1, IMP.521.2-1/R1 and IMP.522-1/R1 for information respecting the equivalent election under the Taxation Act (Québec) (the “Québec Act”). The comments herein and in the
Circular with respect to such elections are provided for general assistance only. The law in this area is complex and contains numerous technical requirements not addressed in this summary.

Eligible Holders are referred to the Circular and the terms and conditions of the Arrangement. The Arrangement is attached as Schedule A to the arrangement agreement between Pan American and Tahoe dated November 14, 2018 (the “Arrangement Agreement”), which is available on SEDAR (www.sedar.com) and EDGAR (www.sec.gov). Capitalized terms used but not defined in this tax instruction letter have the meanings set out in the Circular. Eligible Holders are encouraged to read the Circular in its entirety.

The Arrangement

Under the Arrangement, holders of Tahoe Shares (“Tahoe Shareholders”) were permitted to elect to receive, in exchange for any particular Tahoe Share held

1. one CVR (as defined in the Arrangement) and US$3.40 in cash (the “Cash Consideration”),
   or
2. one CVR and 0.2403 Pan American Shares (the “Share Consideration”).

In each case, the receipt of Cash Consideration or Share Consideration was subject to a number of terms and conditions, including the proration and fractional share provisions of the Arrangement described below.

Due to the application of the proration rules to the Arrangement, Tahoe Shareholders who elected to receive Share Consideration in fact received one CVR, 0.1929 Pan American Shares and US$0.67 cash for each Tahoe Share disposed of under the Arrangement (subject to the fractional share provisions of the Arrangement), and Tahoe Shareholders who elected to receive Cash Consideration in fact received one CVR and US$3.40 cash for each Tahoe Share disposed of under the Arrangement.

Proration and Fractional Share Provisions of the Arrangement

1. The aggregate amount of cash payable under the Arrangement to Tahoe Shareholders was US$275,000,000 (the “Aggregate Cash Consideration”).
2. If the aggregate amount of Cash Consideration otherwise payable in respect of all of the Tahoe Shares for which Tahoe Shareholders elected to receive Cash Consideration (the “Cash Election Shares”) exceeded the Aggregate Cash Consideration, the consideration payable for each Cash Election Share consisted of: (a) a cash payment in an amount equal to the Aggregate Cash Consideration divided by the aggregate number of Cash Election Shares; and (b) a fraction of a Pan American Share having a value (calculated by ascribing to each whole Pan American Share the “Pan American Share Value” of US$14.1490) equal to the amount by which US$3.40 exceeded the cash payment described in (a).
3. If the aggregate amount of Cash Consideration otherwise payable in respect of the Cash Election Shares was less than the Aggregate Cash Consideration, the consideration payable for
each Tahoe Share for which a Tahoe Shareholder elected to receive Share Consideration (a “Share Election Share”) consisted of: (a) a cash payment in an amount equal to the amount by which the Aggregate Cash Consideration exceeded the aggregate cash payable in respect of the Cash Election Shares, divided by the aggregate number of Share Election Shares; and (b) a fraction of a Pan American Share having a value (calculated by ascribing to each whole Pan American Share the Pan American Share Value) equal to the amount by which US$3.40 exceeded the cash payment described in (a).

4. A Tahoe Shareholder who would otherwise have received a fraction of a Pan American Share pursuant to the Arrangement received an equivalent cash payment in lieu of such fractional share calculated by ascribing to each whole Pan American Share the Pan American Share Value. All calculations of the number of Pan American Shares to be received under the Arrangement were rounded up or down to four decimal places. Where the aggregate amount of cash payable to a particular Tahoe Shareholder under the Arrangement would have, but for this provision, included a fraction of a cent, the consideration payable was rounded up to the nearest whole cent.

5. The total number of Tahoe Shares for which a Tahoe Shareholder elected to receive Cash Consideration plus the total number of Tahoe Shares for which the Tahoe Shareholder elected to receive Share Consideration (collectively their “Total Elected Shares”) must have been equal to the number of Tahoe Shares transferred to Pan American by the Tahoe Shareholder (their “Deposited Shares”). If a Tahoe Shareholder’s Total Elected Shares were less than their Deposited Shares, the Tahoe Shareholder was deemed to have elected to receive the Share Consideration for the Tahoe Shares for which an election was not made. If a Tahoe Shareholder’s Total Elected Shares exceeded their Deposited Shares, the number of Tahoe Shares for which the Tahoe Shareholder elected to receive the Cash Consideration was reduced such that their Total Elected Shares equalled their Deposited Shares.

6. If a Tahoe Shareholder did not make an election as to the applicable consideration they wished to receive under the Arrangement, they were deemed to have elected to receive the Share Consideration for all Tahoe Shares held.

**Eligible Holders and the Section 85 Election**

An “Eligible Holder” is defined in the Arrangement as a beneficial owner of Tahoe Shares immediately prior to the Effective Time (other than a Dissenting Shareholder) who is: (a) a resident of Canada for purposes of the Tax Act (other than a Tax Exempt Person), (b) a partnership any member of which is a resident of Canada for the purposes of the Tax Act (other than a Tax Exempt Person), or (c) an Eligible Non-Resident. A “Tax Exempt Person” is defined in the Arrangement as a person who is exempt from tax under Part I of the Tax Act. An “Eligible Non-Resident” is defined in the Arrangement as a beneficial owner of Tahoe Shares immediately prior to the Effective Time who is not, and is not deemed to be, a resident of Canada for the purposes of the Tax Act and whose Tahoe Shares are “taxable Canadian property” and not “treaty-protected property”, in each case as defined in the Tax Act.

In order to obtain a full or partial deferral of a gain otherwise realized on the disposition of Tahoe Shares, an Eligible Holder will be required to make a Section 85 Election under the Tax Act and,
depending on the particular Eligible Holder’s circumstances, may also be required to make a Québec Election. The effect and procedure for making a Section 85 Election is set out herein and is generally described under the heading “Certain Canadian Federal Income Tax Considerations” in the Circular.

An Eligible Holder who elected to exchange Tahoe Shares for Share Consideration is entitled to make a Section 85 Election jointly with Pan American in respect of such Tahoe Shares, and may thereby defer all or a portion of any gain that might otherwise have arisen on the disposition of such Tahoe Shares as a consequence of the Arrangement. An Eligible Holder who elected to exchange Tahoe Shares for Cash Consideration is not entitled to make a Section 85 Election in respect of those Tahoe Shares for which they did not receive Pan American Shares.

Under the terms of the Arrangement, Pan American is obligated to execute the necessary joint election form(s) (the “Tax Election Forms”) for making the Section 85 Election (and any Québec Election) for an Eligible Holder from whom two signed, correct and complete copies of the Tax Election Forms are received by Pan American within 60 days after the Effective Date (the “Tax Election Deadline”) and to return such Tax Election Forms to the Eligible Holder within 30 days after receipt of such Tax Election Forms. Eligible Holders are solely responsible for timely filing any Tax Election Forms with the Canada Revenue Agency (“CRA”) and, if applicable, Revenu Québec.

The Effective Date of the Arrangement was February 22, 2019 and therefore the Tax Election Deadline is April 23, 2019, which is 60 days after the Effective Date.

Eligible Holders should review their own particular situation and consult with their tax advisors before making a Section 85 Election under the Tax Act and, if applicable, a Québec Election under the Québec Act.

**Summary of what an Eligible Holder needs to do to file a Section 85 Election**

1. Submit two copies of your Tax Election Forms to Pan American in accordance with the procedures set out in this tax instruction letter. Any Tax Election Form must be received on or before the Tax Election Deadline. Send your signed, correct and complete copies of the Tax Election Forms to Pan American at the address below. **Do not email Tax Election Forms to PASTaxElections@blg.com.**

   Pan American Silver Corp.
   Suite 1500-625 Howe Street
   Vancouver, BC Canada V6C 2T6
   Attention: Mark Caluori

2. It is your responsibility to ensure that any Tax Election Form provided is in compliance with the requirements imposed under the Tax Act (and, if applicable, the Québec Act) to make a valid joint election. Pan American will execute and return any signed, correct and completed Tax Election Form received by the Tax Election Deadline to you within 30 days of receipt of such Tax Election Form. If you do not receive a Tax Election Form, it is your responsibility to
3. If you and your tax advisor are satisfied that the Tax Election Forms are accurate and complete, sign and date both copies of the Tax Election Forms in the area marked “Signature of Transferor, Authorized Officer or Authorized Person” at the bottom of page 2 of the federal Tax Election Form T2057 (or on the area marked “Signature of partner, authorized person or authorized officer” on page 4 of form T2058) and, if applicable, in the area marked “Signature of transferor or authorized signee” at the bottom of page 4 of the Québec Tax Election Form TP-518-V (or on the area marked “Signature of authorized signee for the transferor” on page 4 of form TP-529-V). If you need to request a change to a Tax Election Form that has been executed by Pan American, contact Mark Caluori at Pan American at 604-684-1175. Do not make changes to a Tax Election Form that has been executed by Pan American without the written consent of Pan American.

4. File one copy of each signed Tax Election Form with the relevant tax authority immediately. Page 7 of this tax instruction letter provides details on where to file your Tax Election Forms. Retain the other copy of each Tax Election Form for your records.

5. Report the disposition of your Tahoe Shares on your tax return for your taxation year in which the disposition took place. The proceeds of disposition should be equal to the “agreed amount” on page 3 of the federal Tax Election Form and, if applicable, page 3 of the Québec Tax Election Form. For future reference, the tax cost of the Pan American Shares acquired under the Arrangement is generally this “agreed amount”, less the aggregate value of any cash (in Canadian dollars) and CVRs received, subject to certain provisions in the Tax Act.

6. Eligible Holders filing in Québec must enclose a copy of their federal Tax Election Form with their Québec Tax Election Form. Eligible Holders filing in Québec should also note that corporations established in Québec are required to file the French version of the Québec Tax Election Form; however the copy of the federal Tax Election Form can be the English version.

We recommend you consult with your tax advisor for specific tax advice in respect of the Section 85 Election (and the Québec Election, if applicable) and related tax matters.

**Deadline for Submitting Tax Election Forms to Pan American**

The Section 85 Election process is time sensitive. Under the terms of the Arrangement, Pan American is obligated to make a Section 85 Election (and a Québec Election, if applicable) with an Eligible Holder from whom correct and complete Tax Election Forms are received by Pan American by the Tax Election Deadline. The Tax Election Deadline is 60 days after the Effective Date of the Arrangement.

The Effective Date of the Arrangement was February 22, 2019 and therefore the Tax Election Deadline is April 23, 2019, which is 60 days after the Effective Date.

If the Tax Election Forms for an Eligible Holder are not received by Pan American by the Tax Election Deadline and in accordance with the procedures set out in this tax instruction letter, Pan American will have no obligation to make a Section 85 Election or a Québec
Election with such Eligible Holder and therefore such Eligible Holder may not benefit from a full or partial deferral pursuant to the provisions of section 85 of the Tax Act and, if applicable, the equivalent provisions of the Québec Act.

**Execution and Delivery of a Section 85 Election by Pan American**

In order to make a valid Section 85 Election or Québec Election, any Tax Election Form must be signed and properly completed with the necessary information, including the number of Tahoe Shares exchanged, the amount of any cash (in Canadian dollars) and the number of CVRs and Pan American Shares received by the Eligible Holder, and the applicable “agreed amount” for the purposes of such election. Pan American will only sign a Tax Election Form for which complete and accurate information has been submitted by an Eligible Holder within the time and manner specified herein. Pan American has no responsibility to verify the information provided. Pan American will not execute a Tax Election Form that does not comply with the provisions of the Tax Act (and if applicable, the Québec Act). In its sole discretion, Pan American or any successor corporation may choose to make a Section 85 Election or a Québec Election with an Eligible Holder from whom it receives Tax Election Forms after the Tax Election Deadline, but will have no obligation to do so.

Pan American will return the executed Tax Election Forms to the Eligible Holder at the address provided by the Eligible Holder within 30 days after receipt of such Tax Election Forms.

**None of Tahoe, Pan American, Computershare Investor Services Inc. (the “Depositary”) nor any successor corporation will be responsible for the proper completion of any Tax Election Form except as provided herein. Further, except for Pan American’s obligation to sign and return to you a completed Tax Election Form which it receives on or before the Tax Election Deadline, none of Tahoe, Pan American, the Depositary nor any successor corporation will be responsible for any taxes, interest or penalties arising as a result of the failure of an Eligible Holder to complete and file such Tax Election Form properly or timely in the form and manner prescribed by the Tax Act and, if applicable, the Québec Act.**

**Filing a Tax Election Form with the Tax Authorities**

Generally, in order for a Tax Election Form to be accepted by the CRA (and, if applicable, Revenu Québec) without an Eligible Holder being liable for a late filing penalty, the completed Tax Election Form must be filed with the CRA (and, if applicable, Revenu Québec) on or before the date that is the earliest of the day by which either Pan American or the Eligible Holder is required to file an income tax return for the taxation year in which the Arrangement occurred (the “Filing Deadline”). Pan American’s 2019 taxation year is scheduled to end on December 31, 2019 (although its taxation year could end sooner as a result of an event such as an amalgamation) and it is required to file an income tax return for a particular taxation year six months after such taxation year-end. Each Eligible Holder is urged to consult their tax advisor as soon as possible respecting the Tax Election Forms and the Eligible Holder’s applicable Filing Deadline. However, regardless of the Eligible Holder’s Filing Deadline, complete and accurate Tax Election Forms must be received by Pan American by the Tax Election Deadline and in accordance with the procedures set out in this tax instruction letter.
The federal Tax Election Form should be filed by the Eligible Holder with the applicable CRA Tax Centre. Information on Tax Centres can be found on the CRA website at: http://www.cra-arc.gc.ca/cntct/tso-bsf-eng.html.

Any Québec Tax Election Form, together with a copy of the federal Tax Election Form, should be filed by the Eligible Holder with Revenu Québec at the following address:

Revenu Québec  
C.P. 2500, succursale Place-Desjardins  
Montréal, Québec  H5B 1A3

None of Tahoe, Pan American, the Depositary nor any successor corporation will be responsible for the filing of any Tax Election Form by the Eligible Holder’s Filing Deadline. None of Tahoe, Pan American, the Depositary nor any successor corporation will be responsible or liable for taxes, interest, penalties, damages or expenses resulting from the failure by an Eligible Holder to properly file a complete and accurate Tax Election Form within the time prescribed under the Tax Act and, if applicable, the Québec Act. Eligible Holders will be solely responsible for the payment of any interest, taxes, and/or late filing penalties.

Eligible Holders should consult with their own tax advisors for specific advice in respect of any applicable Filing Deadline in their own particular circumstances.
Completing the Federal Tax Election Form (T2057 or T2058)

**Getting Started**

Before starting, you will need the following:

1. The applicable federal Tax Election Form. Federal Tax Election Form T2057 should be completed by Eligible Holders who are individuals, corporations and trusts; a copy of the form T2057 is enclosed with this tax instruction letter and the form T2057 can also be obtained at [https://www.canada.ca/en/revenue-agency/services/forms-publications/forms/t2057.html](https://www.canada.ca/en/revenue-agency/services/forms-publications/forms/t2057.html). Federal Tax Election Form T2058 should be completed by Eligible Holders who are partnerships; a copy of the form T2058 is enclosed with this tax instruction letter, and the form T2058 can also be obtained at: [https://www.canada.ca/en/revenue-agency/services/forms-publications/forms/t2058.html](https://www.canada.ca/en/revenue-agency/services/forms-publications/forms/t2058.html).

2. Identification related information, including the Eligible Holder’s name, address, social insurance number, business number or partnership account number, relevant taxation year and, if applicable, similar information for co-owners of the Tahoe Shares.

3. The number of Tahoe Shares the Eligible Holder disposed of pursuant to the Arrangement and for which the Eligible Holder received Share Consideration or for which a fraction of a Pan American Share was received under the proration provisions in section 3.3 of the Arrangement (the “Eligible Tahoe Shares”).

4. The aggregate adjusted cost base of the Eligible Tahoe Shares.

5. The total amount of cash (in Canadian dollars) and the total number of CVRs and Pan American Shares received by the Eligible Holder for the Eligible Tahoe Shares pursuant to the Arrangement.

6. The fair market values of the relevant securities received by and disposed of by Eligible Tahoe Shareholders under the Arrangement on the Effective Date. Pan American estimates the fair market values of the relevant securities as follows:

<table>
<thead>
<tr>
<th>Security</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pan American Share</td>
<td>CA$19.01 per share</td>
</tr>
<tr>
<td>CVR</td>
<td>CA$0.28 per CVR</td>
</tr>
<tr>
<td>Eligible Tahoe Share</td>
<td>CA$4.83 per share</td>
</tr>
</tbody>
</table>

**About the federal Tax Election Forms (T2057 and T2058)**

Eligible Holders wishing to make a Section 85 Election with Pan American must complete federal Tax Election Form T2057 or T2058. Eligible Holders that are individuals, corporations or trusts should complete form T2057. Eligible Holders which are partnerships should complete form T2058.
To assist you in understanding the information requirements of each of these forms, the following pages of this tax instruction letter will briefly provide descriptions of the requirements. Forms T2057 and T2058 are substantially similar; therefore, while the instructions below are based on form T2057, they will apply to form T2058 unless otherwise indicated.

The guidance below assumes the Eligible Holder reports their Canadian tax results in Canadian dollars. If an Eligible Holder reports in another currency, the Eligible Holder should consult their tax advisor.

The bolded headings below correspond to portions of forms T2057 and T2058.

**Taxpayer’s name (on T2058: “Name of partnership”)**

Enter the legal name of the Eligible Holder (generally, this should be the name listed on the Eligible Holder’s income tax return or information return).

**Social insurance, trust account or business number (on T2058: “Partnership account number”)**

Provide the relevant identification number for the Eligible Holder.

**Address and postal code**

Provide the address and postal code of the Eligible Holder (generally, this should be the address and postal code listed on the Eligible Holder’s income tax return or information return).

**Tax year of the taxpayer (on T2058: “Tax year of partnership”)**

The taxation year that the Eligible Holder must provide is the taxation year that includes the Effective Date of the Arrangement.

1. An individual (other than a trust) is taxed on a calendar year basis and generally has a December 31 taxation year-end. An Eligible Holder that is an individual will generally provide the taxation year as 2019/01/01 to 2019/12/31.

2. A corporation may have a taxation year that ends at any time in the year. An Eligible Holder that is a corporation must provide the taxation year that includes the Effective Date of the Arrangement. For example, if the corporation’s year began on July 1, 2018 and ends on June 30, 2019; the taxation year provided should be 2018/07/01 to 2019/06/30.

3. A trust that is not a graduated rate estate is taxed on a calendar year basis and generally has a December 31 taxation year-end. An Eligible Holder that is a trust (other than a graduated rate estate) that was established on or before January 1, 2019 will generally provide the taxation year as 2019/01/01 to 2019/12/31.

4. A trust that is a “graduated rate estate” (as defined in the Tax Act) may have a taxation year that ends at any time of the year. An Eligible Holder that is a graduated rate estate must provide the taxation year that includes the Effective Date of the Arrangement. For example, if the
graduated rate estate trust’s year began on July 1, 2018 and ends on June 30, 2019, the taxation year provided should be 2018/07/01 to 2019/06/30.

5. A partnership with at least one partner that is a corporation may have a taxation year that ends at any time in the calendar year. An Eligible Holder that is a partnership must provide the taxation year that includes the Effective Date of the Arrangement. For example, if the partnership’s year began on July 1, 2018 and ends on June 30, 2019, the taxation year provided should be 2018/07/01 to 2019/06/30.

**Tax services office of Eligible Holder**

Indicate the Tax Services Office that normally serves the Eligible Holder.

The Tax Services Offices and the locations that they serve are listed on the CRA website: http://www.cra-arc.gc.ca/cntct/tso-bsf-eng.html.

**Identification information regarding co-owner(s), if any (T2057 only)**

If the Eligible Holder owned Tahoe Shares together with another co-owner or other co-owners, provide the name(s), social insurance, business or trust account number(s), address(es), postal code(s), and Tax Services Office(s) of the co-owner(s). If the Eligible Holder owned the Tahoe Shares together with more than one co-owner, the Eligible Holder should attach a schedule to the federal Tax Election Form listing this information.

**Corporation’s name (transferee)**

The name of the transferee corporation is “Pan American Silver Corp.”.

**Business number**

The business number for Pan American is 129670477.

**Address**

Pan American’s address is 625 Howe Street, Suite 1500, Vancouver, British Columbia, Canada.

**Postal code**

Pan American’s postal code is V6C 2T6.

**Tax year of the corporation**

Pan American’s anticipated tax year is 2019/01/01 to 2019/12/31.

**Tax services office**

Pan American’s Tax Services Office is Vancouver.

**Name of the contact person (on T2058: “Name of person to contact for more information”)**
The name of the contact person is Mark Caluori.

**Telephone number**

The telephone number for the contact person is 604-684-1175.

**Penalty for late-filed and amended elections**

This portion of the form is only required if the Eligible Holder is filing their Tax Election Form after their Filing Deadline or if they are filing an amended Section 85 Election. Therefore, Eligible Holders will typically not complete this portion of the form.

1. **Is there a written agreement relating to this transfer?**

The answer to this question is “YES”.

2. **Does a price adjustment clause apply to any of the properties?**

The answer to this question is “NO”.

3. **Do any persons other than the taxpayer (on T2058: “persons other than members of the partnership”) own or control directly or indirectly any shares of any class of the transferee?**

The answer to this question is “YES”.

4. **Does a non-arm’s length rollover exist between 2 or more corporations (on T2058: “between the partnership and the corporation”)?**

The answer to this question is “NO”.

5. **Is the taxpayer (on T2058: “any member of the partnership”) a non-resident of Canada?**

The Eligible Holder must indicate whether they are resident in Canada or not.

An individual Eligible Holder will generally be resident in Canada if they ordinarily reside in Canada, or if they are in Canada for more than 182 days in the year. An Eligible Holder that is a corporation incorporated in Canada will generally be deemed resident in Canada. An Eligible Holder that is a trust will generally be resident where its trustee is resident. Eligible Holders who are also resident in another country may or may not be resident in Canada depending on their particular circumstances and the tax treaty (if any) between Canada and that other country.

Eligible Holders who are unsure of their residence status should consult their tax advisors.

6. **Were any of the Tahoe Shares disposed of capital properties?**

The determination of whether the Tahoe Shares were capital property to the Eligible Holder is a question of fact depending on the Eligible Holder’s particular circumstances. An Eligible Holder’s Tahoe Shares generally would have been considered capital property to the Eligible Holder unless
the Eligible Holder held them in the course of carrying on a business of trading or dealing in securities, or in the course of an adventure or concern in the nature of trade.

An Eligible Holder should consult with their tax advisor if they are unsure of the nature of the Tahoe Shares.

a) If the Tahoe Shares disposed of are capital properties, have they been owned continuously since Valuation Day?

The answer to this question is “NO”.

b) If the Tahoe Shares disposed of are capital properties, have they been acquired after Valuation Day in a transaction considered not to be at arm’s length?

Generally speaking, an Eligible Holder will have acquired their Tahoe Shares in a transaction that is not at arm’s length if they acquired the shares from a “related person” or certain trusts. “Related persons” include blood-relatives (parents, siblings, and descendants), spouses and common-law partners, and blood-relatives of a spouse or common-law partner. Related persons also include companies that are majority owned by the Eligible Holder, a related person or a group of related persons (which may or may not include the Eligible Holder). The rules governing arm’s length relationships are complex, and Eligible Holders should consult their tax advisors if they are unsure of whether they acquired their Tahoe Shares in a non-arm’s length transaction.

c) If the Tahoe Shares disposed of are capital properties, has the taxpayer (on T2058: “the partnership”) or any person from whom the shares were acquired in a non-arm’s length transaction received any subsection 83(1) dividends for transferred shares?

The answer to this question is “NO”.

7. Is the agreed amount of any of the transferred properties based on an estimate of fair market value on Valuation Day?

The answer to this question is “NO”.

8. Has an election under subsection 26(7) of the Income Tax Application Rules been filed by or on behalf of the taxpayer?

Eligible Holders are required to indicate whether they have ever filed an election under subsection 26(7) of the Income Tax Application Rules. Most Eligible Holders will not have filed such an election, and should answer “NO”. However, some Eligible Holders may have filed such an election at some time, and would therefore answer “YES”.

Where shares of the capital stock of a private corporation are included in the property disposed of, provide the following:
The Tahoe Shares were not shares of a “private corporation”, because Tahoe was a “public corporation”. Therefore, this portion of the form should not be completed.

**Description of shares received**

*Number of shares transferor received*

Eligible Holders must indicate how many Pan American Shares they received under the Arrangement.

*Class of shares*

Eligible Holders received “common” shares of Pan American.

*Redemption value per share*

The Pan American Shares received by Eligible Holders do not have a redemption value. Eligible Holders should therefore not complete this portion of the form.

*Paid-up capital*

Eligible Holders do not have the information necessary to complete this portion of the form and should therefore not complete this portion of the form. Pan American will complete this portion of the form.

*Voting or non-voting*

The Pan American Shares Eligible Holders received are “voting” shares.

*Are the shares redeemable at the holder’s option?*

The Pan American Shares received by Eligible Holders are not redeemable at the Eligible Holder’s option; Eligible Holders should therefore check the box marked “NO”.

**Election and certification (T2057 only)**

Eligible Holders must sign the form T2057 on the line above “Signature of Transferor, Authorized Officer or Authorized Person” at the bottom of the second page of form T2057. Eligible Holders completing form T2058 will sign on page 4 of form T2058 (see “Election and certification (T2058 only)” below).

**Information on the eligible property disposed of and consideration received**

Eligible Holders are required to input information about the Eligible Tahoe Shares in respect of which they are making an election into this portion of the form.

Eligible Holders are reminded that they are not permitted to make a Section 85 Election in respect of Tahoe Shares for which they did not receive any Pan American Shares.
Eligible Holders who held their Eligible Tahoe Shares as capital property should input the information discussed below (except the date of transfer) in the row labelled “Capital property excluding depreciable property”; Eligible Holders who did not hold their Eligible Tahoe Shares as capital property should input this information in the row labelled “Inventory excluding real property”.

Date of sale or transfer of all properties listed below

Eligible Holders should fill in February 22, 2019, the Effective Date of the Arrangement, in this portion of the form.

Description

Eligible Holders should indicate the number and class of Eligible Tahoe Shares which they transferred to Pan American under the Arrangement. For example, an Eligible Holder that disposed of 1,000 Eligible Tahoe Shares to Pan American that wishes to make a Section 85 Election in respect of all 1,000 Eligible Tahoe Shares would fill in “1,000 common shares of Tahoe Resources Inc.”

Elected amount limits

The elected amount is subject to the following limitations by the Tax Act:

1. The elected amount may not be less than the lesser of (i) the Eligible Holder’s adjusted cost base of their Eligible Tahoe Shares that were exchanged, determined immediately before the time of the exchange under the Arrangement; and (ii) the fair market value of the Eligible Tahoe Shares at that time; and

2. The elected amount may not exceed the aggregate fair market value of the Eligible Tahoe Shares at the time of the exchange under the Arrangement.

Eligible Holders should input the aggregate fair market value of the Eligible Tahoe Shares they disposed of to Pan American under the Arrangement in the column labelled “Fair market value” under the “Elected Amount Limits” column. Pan American estimates the fair market value of each Eligible Tahoe Share immediately before the time of exchange under the Arrangement was CA$4.83.

Eligible Holders should input their adjusted cost base of their Eligible Tahoe Shares (or cost amount if such shares are not capital property) in column A under “Elected amount limits”. Generally speaking, an Eligible Holder’s adjusted cost base of their Eligible Tahoe Shares will be the amount that they paid for the Eligible Tahoe Shares plus any reasonable costs to acquire the shares. The rules governing adjustments to the adjusted cost base of shares are complex, and Eligible Holders should consult their tax advisors with respect to the amount to specify in column A.

B Agreed amount

The agreed amount (a.k.a. the elected amount) is subject to the limits discussed above under “Information on the eligible property disposed of and consideration received: Elected amount
limits”. In addition, the agreed amount may not be less than the aggregate value of any non-share consideration received by an Eligible Holder in exchange for their Eligible Tahoe Shares. Non-share consideration includes cash and the CVRs. Therefore, an Eligible Holder may not input an agreed amount that is less than the total value of cash and CVRs received by the Eligible Holder in exchange for their Eligible Tahoe Shares. Pan American estimates the value of each CVR received by Eligible Holders under the Arrangement was CA$0.28.

The agreed amount will become the Eligible Holder’s proceeds of disposition for their Eligible Tahoe Shares. Subject to the limits discussed above, an Eligible Holder who wishes to defer the entire portion of any gain arising on the disposition of their Eligible Tahoe Shares should input an agreed amount equal to Eligible Holder’s adjusted cost base (or cost amount if such shares are not capital property) of their Eligible Tahoe Shares.

Some Eligible Holders may wish to realize all, or some portion of the capital gain arising on the disposition of their Eligible Tahoe Shares in order to, for example, utilize capital losses which they have incurred. This can be achieved by inputting an agreed amount that is (subject to the limits discussed above) more than their adjusted cost base (or cost amount if such shares are not capital property) of their Eligible Tahoe Shares.

**Amount to be reported B – A**

Eligible Holders should fill in an amount that is equal to their agreed amount in column B less their amount in column A. This amount is the amount of the gain (if any) that the Eligible Holder will realize on the disposition of their Eligible Tahoe Shares.

**Consideration Received: Non-Share**

Eligible Holders should input the number of CVRs and the aggregate amount of any cash payment that they received in exchange for their Eligible Tahoe Shares in the column labelled “Non-Share”.

In general, the amount of cash should be equal to the US dollar amount received converted into Canadian dollars based on the Bank of Canada exchange rate posted at the Effective Time, being 1.3196. If the Eligible Holder has elected to report their Canadian tax results in a currency other than Canadian dollars, they should consult a tax advisor for assistance.

For example, if an Eligible Holder disposed of 1,000 Eligible Tahoe Shares and received 1,000 CVRs and US$10 under the proration provisions in section 3.3 of the Arrangement and the Bank of Canada exchange rate was 1.25, they would input “1,000 contingent value rights and CA$12.50 cash” in this column.

**Consideration Received: Share**

Eligible Holders should input the number and class of shares of Pan American they received in exchange for their Eligible Tahoe Shares in the column labelled “Share”. For example, if an Eligible Holder received 1,000 Pan American Shares, they would input “1,000 common” in this column.
Consideration Received: Fair market value of total consideration

Eligible Holders should input the aggregate fair market value of the Pan American Shares, CVRs and cash they received in exchange for their Eligible Tahoe Shares under the Arrangement in this column. Pan American estimates the fair market value of each Pan American Share received by Eligible Tahoe Shareholders was CA$19.01 and the estimated fair market value of each CVR received by Eligible Tahoe Shareholders was CA$0.28.

Election and certification (T2058 only)

The “Election and certification” portion of form T2058 must be signed by all members of the partnership, or by a person authorized in writing by all partners to sign the form on their behalf. If the form is signed by one partner who is authorized on behalf of all the other partners, a copy of the authorizing agreement must be attached to the form.

Additional instructions regarding the execution of form T2058 are found at the bottom of page 4 of form T2058.
Completing the Québec Tax Election Form (TP-518-V or TP-529-V)

**Getting Started**

Before starting, you will need the following:

1. The applicable Québec Tax Election Form. Québec Tax Election Form TP-518-V should be completed by individuals, corporations and trusts; a copy of form TP-518-V is enclosed with this tax instruction letter and form TP-518-V can also be obtained at: https://www.revenuquebec.ca/en/online-services/forms-and-publications/current-details/tp-518-v/. Québec Tax Election Form TP-529-V should be completed by partnerships; a copy of form TP-529-V is enclosed with this tax instruction letter, and form TP-529-V can also be obtained at: https://www.revenuquebec.ca/en/online-services/forms-and-publications/current-details/tp-529-v/.

2. Identification related information, including the Eligible Holder’s name, address, social insurance number, identification number or Québec enterprise number, relevant taxation year and, if applicable, similar information for co-owners of the Tahoe Shares.

3. The number of Eligible Tahoe Shares the Eligible Holder disposed of pursuant to the Arrangement.

4. The aggregate adjusted cost base of the Eligible Tahoe Shares.

5. The total amount of cash (in Canadian dollars) and the total number of CVRs and Pan American Shares received by the Eligible Holder for the Eligible Tahoe Shares pursuant to the Arrangement.

6. The fair market values of the relevant securities received by and disposed of by Eligible Tahoe Shareholders under the Arrangement on the Effective Date. Pan American estimates the fair market values of the relevant securities as follows:

<table>
<thead>
<tr>
<th>Security</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pan American Share</td>
<td>CA$19.01 per share</td>
</tr>
<tr>
<td>CVR</td>
<td>CA$0.28 per CVR</td>
</tr>
<tr>
<td>Eligible Tahoe Share</td>
<td>CA$4.83 per share</td>
</tr>
</tbody>
</table>

**About the Québec Tax Election Forms (TP-518-V and TP-529-V)**

Eligible Holders wishing to make a Québec Election with Pan American must complete Québec Tax Election Form TP-518-V or TP-529-V. Eligible Holders that are individuals, corporations or trusts should complete form TP-518-V. Eligible Holders which are partnerships should complete form TP-529-V.

To assist you in understanding the information requirements of each of these forms, the following pages of this tax instruction letter will briefly provide descriptions of the requirements. Forms TP-
518-V and TP-529-V are substantially similar; therefore, while the instructions below are based on form TP-518-V, they will apply to form TP-529-V unless otherwise indicated.

The guidance below assumes the Eligible Holder reports their Canadian tax results in Canadian dollars. If an Eligible Holder reports in another currency, the Eligible Holder should consult their tax advisor.

The bolded headings below correspond to portions of forms TP-518-V and TP-529-V.

1.1 Transferor

Eligible Holders should input their social insurance number, identification number or Québec enterprise number (as applicable), their name, address and the start and end dates of their transfer years in this portion of the form.

The transfer year for the Eligible Holder is the taxation year of the Eligible Holder which includes the Effective Date of the Arrangement.

1. An individual (other than a trust) is taxed on a calendar year basis and generally has a December 31 taxation year-end. An Eligible Holder that is an individual will generally provide the transfer year as 2019/01/01 to 2019/12/31.

2. A corporation may have a taxation year that ends at any time in the year. An Eligible Holder that is a corporation must provide the transfer year that includes the Effective Date of the Arrangement. For example, if the corporation’s year began on July 1, 2018 and ends on June 30, 2019; the transfer year provided should be 2018/07/01 to 2019/06/30.

3. A trust that is not a graduated rate estate is taxed on a calendar year basis and generally has a December 31 taxation year-end. An Eligible Holder that is a trust (other than a graduated rate estate) that was established on or before January 1, 2019 will generally provide the transfer year as 2019/01/01 to 2019/12/31.

4. A trust that is a “graduated rate estate” (as defined in the Tax Act) may have a taxation year that ends at any time of the year. An Eligible Holder that is a graduated rate estate must provide the transfer year that includes the Effective Date of the Arrangement. For example, if the graduated rate estate trust’s year began on July 1, 2018 and ends on June 30, 2019, the transfer year provided should be 2018/07/01 to 2019/06/30.

5. A partnership with at least one partner that is a corporation may have a taxation year that ends at any time of the calendar year. An Eligible Holder that is a partnership must provide the transfer year that includes the Effective Date of the Arrangement. For example, if the partnership’s year began on July 1, 2018 and ends on June 30, 2019, the transfer year provided should be 2018/07/01 to 2019/06/30.

1.2 Corporation

The Eligible Holder should input Pan American’s name, identification number, address, and transfer year in this portion of the form.
Pan American’s legal name is Pan American Silver Corp.

Pan American’s Québec identification number is 1147717608.

Pan American’s address is 625 Howe Street, Suite 1500, Vancouver, British Columbia, Canada V6C 2T6.

Pan American’s anticipated transfer year is 2019/01/01 to 2019/12/31.

1.3 Contact Person

The contact person for Pan American is Mark Caluori.

The telephone number for the contact person is 604-684-1175.

2.1 Application to agree on a different amount (TP-518-V only)

This portion of form TP-518-V is only relevant if the Eligible Holder wishes to agree on a different amount than the agreed amount in the federal form T2057.

The Eligible Holder must indicate whether the difference in the agreed amounts is entirely (or almost entirely) attributable to the difference between the cost amount of the property used to calculate provincial income tax and the cost amount used to calculate federal income tax.

If this difference is not attributable to the difference in calculating the cost amount for federal and Québec purposes, the Eligible Holder must explain why the agreed amount in the form TP-518-V differs from the agreed amount in the federal form T2057.

2.2 Rollover Application (TP-518-V only)

This portion of form TP-518-V is only relevant where a Section 85 Election cannot be made, if shares of a “private corporation” are being transferred, or if a partnership interest is being transferred. None of these conditions are present, and this portion of the form is therefore irrelevant, and should not be completed.

2 Conditions (TP-529-V only)

This portion of form TP-529-V is only relevant if the Eligible Holder and Pan American carried on at least 90% of their business in Québec during the transfer year. This is not the case; therefore this portion of the form is irrelevant and should not be completed.

3 Rollover Application (TP-529-V only)

The Eligible Holder and Pan American deal at arm’s length. Therefore, Eligible Holders should answer the question “are the parties dealing at non-arm’s length?” “NO”.

The Eligible Holder must indicate whether 90% or more of its property has been transferred to Pan American.
There is a written agreement related to the transfer of the Tahoe Shares disposed of by Eligible Holders to Pan American. Therefore, Eligible Holders should answer the question “Is there a written agreement related to the transfer?” “YES”. The Eligible Holder must also enclose a copy of the Arrangement Agreement (as defined in the Circular) with the form TP-529-V.

There is no price adjustment clause applicable to the transferred Tahoe Shares. Therefore, Eligible Holder should answer the question “Does a price adjustment claim apply to any of the transferred property?” “NO”.

The Tahoe Shares are not depreciable property. Therefore, the portion of the form requesting the undepreciated capital cost of the property should not be completed.

No shares of a “private corporation” were transferred under the Arrangement. Therefore, the portion of the form requesting information about the private corporation should not be completed.

No partnership interests were transferred under the Arrangement. Therefore, the portion of the form requesting a schedule of the calculation of the adjusted cost base of the partnership interest should not be completed.

3.1 Transferred Property and consideration received (on TP-529-V: “4.1 Transferred Property and consideration received”)

Eligible Holders who held their Eligible Tahoe Shares as capital property should input the following information (except for the “Date of transfer of the property below”) in the row labelled “Capital property other than depreciable property”; Eligible Holders who did not hold their Eligible Tahoe Shares as capital property should input their information in the row labelled “Inventory”.

Date of transfer of the property below

Eligible Holders should fill in February 22, 2019, the Effective Date of the Arrangement, in this portion of the form.

Column A “Property”

Eligible Holders should indicate the number and class of Eligible Tahoe Shares which they disposed of in column A “Property”. For example, an Eligible Holder that disposed of 1,000 Eligible Tahoe Shares to Pan American that wishes to make a Québec Election in respect of all 1,000 Eligible Tahoe Shares would fill in “1,000 common shares of Tahoe Resources Inc.”

Column B “FMV of the property”

Eligible Holders should input the aggregate fair market value of all of the Eligible Tahoe Shares they disposed of to Pan American under the Arrangement in this column. Pan American estimates the fair market value of each Eligible Tahoe Share disposed of to Pan American was CA$4.83.
Column C “Other limits”

Eligible Holders should enter their adjusted cost base (or cost amount if such shares are not capital property) of their Eligible Tahoe Shares in column C “Other limits”. Generally speaking, an Eligible Holder’s adjusted cost base of their Eligible Tahoe Shares will be the amount that they paid for the Eligible Tahoe Shares plus any reasonable costs to acquire the shares. The rules governing adjustments to the adjusted cost base of shares are complex, and Eligible Holders should consult their tax advisors with respect to the amount to specify in column C.

Column D “Agreed amount”

Eligible Holders should input their agreed amount from their T2057 or T2058 in column D “Agreed amount”, unless they have chosen a different agreed amount in accordance with the Québec Act and form TP-518-V or TP-529-V (as applicable). Eligible Holders who wish to enter an agreed amount that is different from the agreed amount on their federal Tax Election Forms or who are unsure of whether they should enter a different agreed amount than was entered on their federal Tax Election Forms should consult their tax advisors.

Column E “Consideration Received: Other than shares”

Eligible Holders should input the number of CVRs and the aggregate amount of any cash payment that they received in exchange for their Eligible Tahoe Shares in the column labelled “Other than shares” under column E “Consideration received”.

In general, the amount of cash should be equal to the US dollar amount received converted into Canadian dollars based on the Bank of Canada exchange rate posted at the Effective Time, being 1.3196. If the Eligible Holder has elected to report their Canadian tax results in a currency other than Canadian dollars, they should consult a tax advisor for assistance.

For example, if an Eligible Holder disposed of 1,000 Eligible Tahoe Shares and received 1,000 CVRs and US$10 under the proration provisions in section 3.3 of the Arrangement and the Bank of Canada exchange rate was 1.25, they would input “1,000 contingent value rights and CA$12.50 cash” in this column.

Column E “Consideration Received: Name and class of shares”

Eligible Holders should input the number and class of shares of Pan American they received in exchange for their Eligible Tahoe Shares in the column labelled “Name and class of shares” under column E “Consideration received”. For example, if an Eligible Holder received 1,000 Pan American Shares, they would input “1,000 common” in this column.

Column F “FMV of the consideration received”

Eligible Holders should input the aggregate fair market value of the Pan American Shares, CVRs and cash they received in exchange for their Eligible Tahoe Shares under the Arrangement in this column. Pan American estimates the fair market value of each Pan American Share received by Eligible Tahoe Shareholders was CA$19.01 and the estimated fair market value of each CVR received by Eligible Tahoe Shareholders was CA$4.83.
**Column G “Col. D – col. C”**

Eligible Holders should fill in an amount that is equal to their agreed amount in column D less their amount in column C. This amount is the amount of the gain (if any) that the Eligible Holder will realize on the disposition of their Eligible Tahoe Shares.

**3.2 Shares received (on TP-529-V: “4.2 Shares received”)**

*Number of shares received by transferor*

Eligible Holders should input the number of Pan American Shares which they received under the Arrangement in this column.

*Class of Shares*

The Pan American Shares received by Eligible Holders under the Arrangement are “common” shares.

*Cash surrender value per share*

The Pan American Shares received by Eligible Holders under the Arrangement have no cash surrender value. Therefore, Eligible Holders should not complete this column.

*Tax value of paid-up capital per share*

Eligible Holders do not have the appropriate information to complete this column, and should therefore not complete this column. Pan American will complete this column.

*Are the shares voting shares?*

The answer to this question is “YES”.

*Are the shares retractable?*

The answer to this question is “NO”.

**4 Penalty (on TP-529-V: “5 Penalty”)**

This portion of the form is not relevant unless the Eligible Holder is filing their Québec Tax Election Form after the Filing Deadline, or filing an amended Québec Election. Therefore, most Eligible Holders will not need to complete this portion of the form.

**5 Certification (on TP-529-V: “6 Certification”)**

Eligible Holders must tick the appropriate box and print and sign their names in the Certification portion of the form.
Frequently Asked Questions

Am I entitled to make a Section 85 Election for all my Tahoe Shares?

You may make a Section 85 Election in respect of every Tahoe Share for which you elected to receive Share Consideration. If you disposed of a Tahoe Share for which you elected to receive Cash Consideration, you are not permitted to make a Section 85 Election in respect of that Tahoe Share.

Where should I send my Tax Election Forms to be executed by Pan American?

Send your signed, correct and complete copies of the Tax Election Forms to Pan American at:

    Pan American Silver Corp.
    Suite 1500-625 Howe Street
    Vancouver, BC
    Canada V6C 2T6
    Attention: Mark Caluori

How do I confirm the number of Pan American Shares and cash I received pursuant to the Arrangement?

Your securities broker may be able to provide you with this information. Alternatively, this information should be on your brokerage statement for the period that includes the Effective Date of the Arrangement.

What happens if I was entitled to a fraction of a Pan American Share?

No fractional Pan American Shares were issued upon the exchange of Tahoe Shares. In lieu of any such fractional shares, each person otherwise entitled to a fractional interest in a Pan American Share received an amount in cash by cheque calculated by multiplying such fraction of a Pan American Share by US$14.1490. All calculations of Pan American Shares to be received under the Arrangement were rounded up or down to four decimal places.

How do I determine how many Tahoe Shares were disposed of pursuant to the Arrangement?

You disposed of all your Tahoe Shares to Pan American pursuant to the Arrangement unless you were a Dissenting Shareholder. Your securities broker may be able to confirm the number of Tahoe Shares you disposed of. Alternatively, this information should be on your brokerage statement for the period that includes the Effective Date of the Arrangement.

Is there a fee for making the Section 85 Election?

No, you are not required to pay any government fees to make a Section 85 Election or a Québec Election, provided the applicable Tax Election Form(s) are filed by your Filing Deadline. The CRA and Revenu Québec, if applicable, may levy a penalty for a late filed Tax Election Form.
How do I calculate the adjusted cost base of my Tahoe Shares?

The adjusted cost base of an Eligible Holder’s Tahoe Shares that are capital property will generally be the amount that the Eligible Holder paid for the Tahoe Shares when they were originally acquired plus reasonable costs to acquire the shares such as a broker commission. The cost of particular Tahoe Shares may be different due to certain events (e.g., where a shareholder received their Tahoe Shares in a tax-deferred transaction or by way of a gift). The adjusted cost base of an Eligible Holder’s Tahoe Shares acquired at any time will be determined by averaging the cost of such shares with the adjusted cost base of the Tahoe Shares held by the Eligible Holder as capital property immediately before that time.

The rules for determining the adjusted cost base are complex. You should consult your own tax advisor to obtain assistance.

I acquired my Tahoe Shares from my spouse or common law partner. What is my adjusted cost base?

If you acquired your Tahoe Shares from your spouse or common law partner, the tax rules are complex and you should consult your tax advisor for more information.

What happens if Pan American does not receive my Tax Election Form by the Tax Election Deadline?

Pan American has agreed to make Section 85 Elections and Québec Elections (if applicable) with Eligible Holders only if complete and correct Tax Election Forms are provided to Pan American on or before the Tax Election Deadline, so it is important to provide your complete and correct Tax Election Forms by that deadline. Pan American may, but is not obligated to, make Section 85 Elections and Québec Elections (if applicable) if the Tax Election Forms are received after the Tax Election Deadline. Consequently, you should ensure that your complete and accurate Tax Election Forms are received by Pan American in accordance with the procedures set out above by the Tax Election Deadline. Accordingly, if you wish to make a Section 85 Election or a Québec Election with Pan American you should give your immediate attention to this matter.

I filed the Section 85 Election to obtain a full tax-deferred rollover on the disposition of my Eligible Tahoe Shares. Do I have to report the disposition on my tax return for the period that includes the disposition of the Eligible Tahoe Shares?

Yes. You must report the disposition of Tahoe Shares even though you elected to obtain a full deferral of any capital gain that might otherwise have arisen on the disposition of your Tahoe Shares under the Arrangement. An Eligible Holder’s proceeds of disposition for Canadian income tax purposes will be equal to the agreed amount set out in box B on page 3 of the federal Tax Election Form, and their proceeds of disposition for Québec income tax purposes will be the agreed amount in column D of page 3 of the Québec Tax Election Form.

If I make a Québec Election, am I required to make a Section 85 Election?

Yes, an Eligible Holder making a Québec Election must also make a Section 85 Election. Note that a copy of the federal Tax Election Form must be submitted to Revenu Québec when filing the
Québec Tax Election Form. An Eligible Holder that is a corporation established in Québec is required to file the French version of the Québec Tax Election Form, however the copy of the federal Tax Election Form can be the English version.

**What if I have elected to report my Canadian tax results in a currency other than the Canadian dollar?**

Consult your tax advisor for assistance on how to complete monetary amounts in any Tax Election Forms.